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Approved For Release 2005/12/14 : CIA-RDP85T00875R001900030024-9

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CIA No. 8179  
12 July 1974

MEMORANDUM FOR: Mr. William B. Young.  
INR/RAA  
Department of State

SUBJECT : Soviet Maritime and  
Fisheries Assistance  
to Selected LDCs

Attached is a table containing CIA's latest  
published information on Soviet fisheries aid to less  
developed nations in Sub-Saharan Africa.

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Recent events have overtaken some of the information,  
i.e., the LOS conference is underway and the Soviets  
have completed salvage operations in Bangladesh.  
Nonetheless, the paper may provide useful background  
information.

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If you have any further  
questions please feel free to contact

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Office of Economic Research

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Attachments  
As stated

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Soviet Assistance to the Fishing Industries of Less Developed Countries

| Country | Year of Commitment | Character of Assistance   | Status as of April 1972   |
|---------|--------------------|---|---|
| Ghana   | 1960               | A fisheries agreement was concluded to construct a fishing complex at Tema, including port and drydock facilities, a cold storage and ice plant, a workshop to produce fishing gear, and several fish processing plants. Financing for the projects came under a \$40 million credit extended in 1960.  | Work was suspended on the fishing complex after the 1966 coup. By that time about 100 Ghanaians had been trained as fisheries experts in the USSR. The drydock facilities at Tema were completed in 1967 without Soviet assistance. In May 1968, the USSR agreed to send a mission to Ghana to study resuming work on the projects but no agreements have been concluded. |
|         | 1960-61            | Contracts signed under credits extended in 1960 and 1961 provided for delivery of 18 fishing vessels, valued at \$4.5 million.  | All 18 vessels were delivered before the coup.  |
|         | 1963-64            | In a protocol to the 1960 agreement the USSR agreed: (1) to supply temporary facilities including a floating dock with ship repair, workshop, and refrigerator units to be used until the shore facilities were completed; (2) to train 100 Ghanaians in fishing techniques; (3) to send equipment for fishery schools to be set up in Ghana; (4) to undertake joint scientific investigations. |   |
| Guinea  | 1960-61            | The USSR allocated \$2.3 million of a \$35 million credit extended in 1959 for a cold storage plant at Conakry.   | The plant was completed by mid-1963 and expanded in 1968. Technical training also was provided.   |
|         | 1966               | Under a 1962 credit of \$15 million the USSR allocated some \$4 million for developing Guinea's fishing industry, including ten fishing seiners, three years of technical training for 60 students in the USSR, and a slip and a dock for repair of fishing boats in the port of Conakry.   | In 1966 the USSR delivered four of the seiners to be operated by Soviet and Guinean personnel, and Guinea, during 1969, rented two refrigerated trawlers while canceling the remaining six seiners. Thirty Guineans were accepted for training in the USSR during 1971-72.  |

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| Country  | Year of Commitment | Character of Assistance  | Status as of April 1972  |
|----------|--------------------|--|--|
| Kenya    | 1964               | The USSR agreed to construct various facilities including a fish cannery under a \$44 million credit.  | No progress has been made.   |
| Senegal  | 1965               | The USSR extended a \$6.7 million credit to establish a tuna fishing complex, including ten fishing vessels, a fish cannery, a workshop and repair facility, and cold storage plants.                          | Soviet experts submitted their report on the proposed project in 1966. Because the report failed to establish the feasibility of the plant, the cannery and cold storage facilities were canceled, reducing the credit to \$4.7 million. Three boats arrived in 1970. A fishery survey and training program were undertaken in 1971. |
|          | 1968               | In a protocol to the 1965 agreement, the USSR agreed to undertake a study of deep-sea fish resources.  |  |
| Somalia  | 1963               | In a protocol to a \$44 million credit of 1961, the USSR agreed to provide equipment valued at \$4.2 million for construction of a fish canning plant at Las Khoreh with an annual capacity of 6 million cans. | The plant was completed in 1970. Somali students are being trained as navigation officers and ships engineers in Soviet schools.   |
| Sudan    | 1961               | The USSR agreed to survey the fish potentials of the Red Sea and Nile River and establish a fish cannery at Jebel Aulia.   | The surveys were completed in 1964. A feasibility report on the cannery was prepared in 1965, but no subsequent activity has been reported.  |
| Tanzania | 1966               | The USSR, under a 1966 credit for \$20 million, agreed to construct a fish-drying plant at Kigoma and four cold storage plants and to provide \$960,000 of marine equipment.                                   | The cold storage and fish-drying plants were canceled.   |

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Soviet Maritime and Fisheries Assistance  
to Less Developed Countries: 1973 Developments

Summary

Soviet aid to LDC fisheries and merchant marine development amounts to about \$180 million, or 2% of Moscow's total aid undertakings. From this small outlay the Soviet fishing fleet has gained port access and servicing rights in at least 18 less developed countries, which has helped to support the expansion of the Soviet fishing industry. Growth beyond the two-fold increase in output during the past decade will require a greater concentration of activities and expanded servicing capabilities in southern waters.

During 1973 the USSR signed fisheries agreements with five less developed countries bringing the total number of recipients of fisheries aid to 25. (Table 1) The 1973 agreements do not specifically provide for Soviet construction of on-shore facilities or the supply of vessels as aid as they have in the past. Instead, Moscow is offering to exchange expertise in research and fishing techniques for the right to exploit coastal waters and to use LDC ports for servicing. In addition, the Soviets appear highly interested in forming joint enterprises with LDCs to supply fisheries products for domestic consumption and export. The changed Soviet fisheries aid strategy reflects Moscow's awareness that:

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Table 1Estimated Soviet Aid Extensions for Fisheries  
Development in Less Developed Countries  
January 1958 - December 1973

|                     | Million US \$ |
|---------------------|---------------|
| TOTAL               | <u>115.0</u>  |
| Africa              | <u>46.4</u>   |
| Algeria             | 4.5           |
| Equatorial Guinea   | N.A.          |
| Gambia              | N.A.          |
| Ghana               | 11.2          |
| Guinea              | 6.3           |
| Kenya               | N.A.          |
| Mauritania          | N.A.          |
| Mauritius           | 5.0           |
| Morocco             | N.A.          |
| Senegal             | 6.7           |
| Somalia             | 9.8           |
| Sudan               | 2.0           |
| Tanzania            | 0.9           |
| Middle East         | <u>37.7</u>   |
| Egypt               | 7.0           |
| Iran                | 6.3           |
| Iraq                | 11.0          |
| Yemen (Aden)        | 5.6           |
| Yemen (Sana)        | 7.8           |
| South and East Asia | <u>12.1</u>   |
| Bangladesh          | 8.0           |
| India               | 2.2           |
| Indonesia *         | 0.3           |
| Pakistan            | 1.6           |
| Sril Lanka          | N.A.          |
| Latin America       | <u>18.8</u>   |
| Chile *             | 17.0          |
| Peru                | 1.8           |

\* Programs have been discontinued.

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- One aspect of the world wide LOS conference will be to determine coastal states fisheries jurisdiction and the right of fishing access by foreign fleets.

- LDC's -- many of whom are claiming 200 mile territorial water limits -- are increasingly sensitive over the major fishing powers unimpeded exploitation of "their" fisheries resources.

Moscow also extends credits and technical assistance to less developed countries to expand their merchant marine fleets and construct port works, repair and ship building facilities. Since 1956, the USSR has committed \$65 million of aid to 12 nations for merchant marine development.

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I. SOVIET FISHERIES AID IN 1973

Moscow agreed to provide fisheries assistance to four African nations during 1973 and signed a draft agreement with India (Table 2). In contrast to earlier aid agreements, the new agreements did not include credit provisions for developing on-shore facilities. Instead the 1973 agreements emphasized technical assistance by providing training and by conducting resource surveys. At least two of the 1973 agreements, those with India and Morocco, also provided for setting up joint fishing companies. These would be export oriented companies, whose ships would operate in coastal waters. Moreover, Moscow agreed to supply fish from its own catch to the markets of two of the new aid recipients -- Equatorial Guinea and Mauritania.

In 1973, the USSR pursued its aid to fisheries most actively in Bangladesh, Peru, Senegal, Somalia, and the Yemens. Two Soviet SRTM's\* operating out of Chittagong, conducted research and trained Bangladesh fishermen and plans for a 350 ton refrigeration plant were being formulated. A Soviet vessel conducted coastal surveys for Peru, and six others are now scheduled to join the Peruvian fleet operating out of Paita. Soviet technicians also are installing \$2 million of processing equipment at the port under a 1970 credit. In Senegal, Soviet experts conducted studies to build a fishing port for which Moscow has promised assistance under a 1965 aid agreement. The largest Soviet technical presence, however, was in Somalia where 160 Soviet fisheries personnel worked on a joint

\* SRTM is medium sized research and fishing vessel.

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Table 2

## 1973 Soviet Fisheries Assistance Agreements

| Recipient         | Date     | Provisions of Agreements  |
|-------------------|----------|---|
| Equatorial Guinea | May 8    | <ol style="list-style-type: none"> <li>1. Training on Soviet trawler</li> <li>2. Fish for domestic market</li> <li>3. Soviet fishing in coastal waters</li> <li>4. Port facility rights at Luba</li> </ol>  |
| Gambia            | June     | <ol style="list-style-type: none"> <li>1. Fisheries resource survey</li> </ol>  |
| India             | November | <p>Draft agreement for:</p> <ol style="list-style-type: none"> <li>1. Fisheries research</li> <li>2. Training</li> <li>3. Assistance in fleet, port and processing</li> <li>4. Joint fishing ventures for export</li> </ol>   |
| Mauritania        | February | <ol style="list-style-type: none"> <li>1. Fish for domestic market</li> <li>2. Training on Soviet ships</li> <li>3. Fishing in coastal waters</li> <li>4. Use of Port Nouadhibou and servicing</li> <li>5. Royalty payment</li> <li>6. Fisheries research in coastal waters</li> </ol>  |
| Morocco           | January  | <ol style="list-style-type: none"> <li>1. Research on Soviet vessel under UNDP-FAO program</li> <li>2. Training in USSR</li> <li>3. Training center in Morocco</li> <li>4. Joint company leasing Soviet ships operating in coastal waters</li> <li>5. Joint construction and operation of fish plant and refrigeration warehouse</li> </ol> |

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fishing expedition and at the Soviet built Las Khereh canning factory. Soviet aid to Aden in 1973 consisted of preliminary work for stationing a floating crane and constructing a repair yard in Aden harbor. In Sana, Soviet and Yemeni personnel jointly undertook a fisheries industry study, but the YAR eventually turned down a Soviet proposal for joint fishing operations.

LDC View of Soviet Fisheries Aid

Soviet fisheries assistance is attractive to LDCs.

- First, its repayment terms are easy. Aid is provided either as an outright grant or it allows long amortization periods, with payment in reciprocal services.
- Second, Soviet assistance provides equipment, technical know-how, and training that otherwise would be beyond the capability of most LDCs. Soviet surveys provide information on marine resources, including off-shore geological formations. Its training of local fishermen on Soviet ships or in the USSR will run up to an estimated 300 in 1974. Equipment from the USSR also is helping to modernize LDC fleets and shore operations.
- Third, positive economic advantages accrue to the LDC through modernization of its fleet and expanding fisheries operations. Beyond its direct effect on GDP growth, increased supplies of fish safely preserved will help to make up protein diet deficiencies in some LDCs, and the surplus catch sold in foreign markets will augment foreign exchange earnings.

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Soviet View of Aid to Fisheries

Soviet fish production doubled between 1963-73 reaching a total 8.2 million metric tons. 1/ This growth came almost entirely from increased ocean fishing and this expansion would not have been possible without the cooperation Moscow has received from LDCs in return for fisheries aid. The Soviet fleets range and operating time have been extended far beyond its earlier capabilities because of local services provided in LDCs as repayment for fisheries aid.. It also has allowed Soviet fishing in LDCs claimed territorial water from which they would otherwise be excluded. Moscow plans fisheries production of 10.5 million metric tons for 1975, not an unreasonable figure if its fleet can maintain access to fishing grounds gained through agreements with LDCs and to expand to new areas in the south.

In June of this year representatives of nearly every nation in the world will meet in Caracas to begin negotiations on a global Law of the Seas. One of the issues will be the extent of coastal states-fisheries jurisdiction. Some states wish to extend this jurisdiction to 200 miles but major fishing nations are not expected to agree unless a clause providing for optimum utilization of fisheries resources 2/ is included. This kind of intensive utilization can be achieved only by allowing foreign fleet operations in the waters of most LDC coastal states, possibly through licensing arrangements, royalty payments or joint ventures.

1. Includes sea and inland fisheries by live weight but not aquatic mammals.

2. Achieving maximum sustainable yield over time, consistent with certain environmental and economic factors.

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Moscow with its future fishing at stake has begun using all these techniques in its fisheries agreements to achieve or maintain access to coastal fishing grounds. Moscow's recent fisheries agreement with Mauritania includes annual royalty payments in hard currency and a license to fish within Nouakchott's claimed thirty mile limit in return for a percentage of the Soviet catch.

Moscow has agreed to jointly owned and operated fishing ventures with Peru, Egypt, Morocco, Somalia, and Iraq. These so-called "mixed companies" fish in coastal waters on Soviet ships purchased by the company.

### II. RECENT DEVELOPMENTS IN SOVIET MARITIME AID

Moscow made no new commitments for maritime assistance to the LDCs in 1973 (Table 3). The most publicized continuing Soviet assistance for this activity is in Bangladesh where Moscow has been conducting mine sweeping and salvage operations since April 1972. Although the mine sweepers have now been removed Soviet vessels still are raising the last of 19 vessels sunk in Chittagong harbor. Clearing operations are scheduled to end in June, but a small number of personnel probably will remain and continue to provide technical advice to Bangladesh's new maritime training center. The only other Soviet assistance for LDC shipping activity was its delivery late in the year of a 15,000 ton tanker\* to Algeria under long term credits.

\* Two more tankers were delivered in first quarter of 1974.

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Table 3

Estimated Soviet Aid Extensions for Maritime  
Development in Less Developed Countries  
January 1956-December 1973

| <u>Recipient</u> | <u>Millions of US \$</u> |
|------------------|--------------------------|
| Algeria          | 3.0                      |
| Bangladesh       | N.A.                     |
| Egypt            | 16.6                     |
| Greece           | 7.7                      |
| Guinea <u>1/</u> | 2.5                      |
| Indonesia        | 15.1                     |
| Iran             | 1.5                      |
| Iraq <u>2/</u>   | 1.5                      |
| Senegal          | N.A.                     |
| Sierra Leone     | N.A.                     |
| Tunisia          | 0.6                      |
| Yemen (Sana)     | 16.5                     |
| TOTAL            | 65.0                     |

1. Does not include aid extended for ore handling facilities
2. Does not include petroleum shipping facilities at Fao.

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